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# NOMINATIONS OF JANE E. NEWMAN AND REAR ADMIRAL JOHN D. BOSSLER

## HEARING

BEFORE THE

## COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

SECOND SESSION

ON

THE NOMINATIONS OF JANE E. NEWMAN TO BE ASSISTANT SECRETARY OF COMMERCE FOR ECONOMIC DEVELOPMENT AND REAR ADMIRAL JOHN D. BOSSLER TO BECOME A MEMBER OF THE MISSISSIPPI RIVER COMMISSION

JANUARY 31, 1984

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# NOMINATIONS OF JANE E. NEWMAN AND REAR ADMIRAL JOHN D. BOSSLER

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**TUESDAY, JANUARY 31, 1984**

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
*Washington, D.C.*

The committee met at 10 a.m., in room SD–406, Dirksen Senate Office Building, Hon. Robert T. Stafford (chairman of the committee) presiding.

Present: Senators Stafford, Randolph, Burdick, and Mitchell.

## OPENING STATEMENT OF HON. ROBERT T. STAFFORD, U.S. SENATOR FROM THE STATE OF VERMONT

Senator STAFFORD. The Committee on Environment and Public Works will please come to order.

I welcome our nominees and guests here this morning. Before I go to a more formal statement that I have for this morning let me just say very informally what the chairman of the committee believes will be the schedule of activities in the committee and on the floor and in the foreseeable future in the hope that staff members for each Senator who is otherwise engaged this morning can pass the word on to his or her respective Senator.

The first item of business which concerns Senator Randolph and myself particularly is our own committee budget. That has been prepared. It has been circulated to members. We have held it to as austere a figure as we can consistent with what we see to be the committee obligations for this coming year. And in view of the circulation of the proposed budget it is Senator Randolph's intention and mine to go with it to the Committee on Rules, on I believe, February 8. If there are any questions in connection with it I would hope that any members who have them will get those to the two staff directors for the majority and minority as soon as possible.

But I might add that the committee budget will be filed in the Senate this noon.

First on the agenda for floor action for the committee is the Resource Conservation and Recovery Act to be followed by the Clean Water Act. It is the chairman's intention to seek floor time for RCRA this noon in a meeting of the committee chairman, with the majority leader and the Vice President.

A bit later on we will be looking at the legislation effecting water projects and policy and as members are well aware we will be in hearings on the Clean Air Act and the acid rain amendments thereto be-

ginning this Thursday. So that is the agenda as I see it subject to wishes of the committee at the present time.

Senator RANDOLPH. Mr. Chairman, before we go into the hearing I would like to speak for the minority members.

Senator STAFFORD. I wish you would. I have a little opening statement, too, Jennings, with respect to this hearing this morning. But I would defer to you.

Senator RANDOLPH. No. I didn't mean on the nominee but on what you said about the committee.

Senator STAFFORD. All right. That would be appreciated if you would.

Senator RANDOLPH. Yes. We do not often use it, and if we do use it we don't really mean it, that is, talk about the majority and minority in this committee. We have a working agreement through the years. We have been together, Senator Stafford and I and many, many others on this committee and we think of sharing the responsibilities. The leadership comes naturally from time to time according to party lines but what we have done over a long period of time is to bring to the Senate itself legislation grounded in factual hearings and legislation that has proved helpful to the people of the United States. It is a privilege, Mr. Chairman, to work with you and I speak for all of the members of the minority who work with you and others of the majority and I just felt I want to underscore that this morning.

Thank you.

Senator STAFFORD. Senator Randolph, I certainly appreciate that. I think you truly have hit on the spirit of this committee, one that is bipartisan, nonpartisan, and works on issues and not matters of partisanship. It has been a joy all the years I have been on this committee to work with you. In fact, what little I know about running a committee I learned from you, Senator. So you can see the committee is still running about the way you intended it to over 14 years ago.

I am very pleased this morning in behalf of the committee to welcome Jane Newman to the Committee on Environment and Public Works. Ms. Newman has been nominated by the President to serve as Assistant Secretary of Commerce for Economic Development.

The purpose of this hearing is to provide an opportunity for members of this committee to discuss the nomination of Ms. Newman to head the Economic Development Administration, an agency within the Department of Commerce. This committee has jurisdiction over EDA, and, of course, has the responsibility for reporting this nomination to the Senate.

This morning we would like particularly to discuss with you, Ms. Newman, your policy views regarding Federal economic assistance programs and the future of a nearly 20-year-old Federal agency—the Economic Development Administration. I am reminded that a little over 2 years ago, this committee was asked, as it is now, to consider the nomination of an individual to head EDA, despite the administration's opposition to its continuance. In the meantime, Congress has continued to provide funds, albeit on a smaller scale. For fiscal year 1984—with bipartisan support—$240 million has been appropriated for EDA programs.

The past several years have been difficult, unsettled ones for EDA. Throughout its life, the agency has been given sudden, special assign-

ments—from administering a massive local public works program to making trade adjustment loans to fighting urban decay, attempting to bolster the steel industry, and creating emergency jobs. These extraordinary demands have often led to serious strains on an agency originally intended as a fairly small, focused, long-term economic development effort with essentially a rural orientation.

Last year, this committee voted to report S. 724, which includes a regional economic assistance program similar to the original intent of EDA. The purpose of S. 724 is to provide Federal economic assistance in the amount of $225 million annually over a 5-year period to distressed communities so that basic infrastructure projects can be developed that will, in turn, spark private investment and save or create jobs in the smaller towns and rural areas of this country.

For the record, I will note that the House passed legislation last year that would also work to restructure EDA by addressing many of the same problems S. 724 seeks to correct.

For now, however, it is my firm belief that as a first priority EDA needs at its helm an experienced and capable administrator who can provide stability; strong program, personnel and budget management skills; and a genuine willingness to be open and responsive to EDA's constituents and to Congress.

I am pleased to have a fellow New Englander appear before the committee. It is a pleasure also to welcome our New Hampshire colleagues—Senator Humphrey, who is a very valuable member of the committee who Chairs the Regional and Community Development Subcommittee, Representative Gregg and Representative Smith.

If you are confirmed for this position—and I know of no reason you will not be; yet anyway, let me encourage you to consult closely with the subcommittee and the full committee as you proceed in carrying out your considerable responsibilities at the Economic Development Administration.

Senator Randolph, your welcome words will be very appropriate right now.

## OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Senator RANDOLPH. Thank you, Mr. Chairman.

All of us are joined with you, not only as majority and minority members in giving attention and in welcoming to our committee the nominee. I don't know if I am going to call her Jane or Bonnie. I don't know. Ms. Newman is the President's nominee to be Assistant Secretary of Commerce and I want, not only to join with you in welcoming her, but also those that accompany her.

What the chairman has said is correct. We have had varying degrees in approaching matters of concern to the Economic Development Administration. I am very gratified that the President saw it necessary and proper to move forward and named this able citizen. I like the word citizen once in a while. It is chairperson always. You are a citizen of the United States of America and I feel after talking with you informally as other members of the committee had the privilege of doing that you will give attention to this highly important position with which you will be entrusted.

The Public Works and Economic Development Act was a child of this committee. It was enacted first in 1965 and I think it has served the Republic and the people of every State in providing what I call in the overall well-spent Federal dollars to meet many local economic development needs. The last 3 years have not been as good for agency functioning as in the past. There was confusion resulting from the proposals of the President to end this program.

I understand the problems of the Chief Executive and I am always conscious in my desire to cooperate with him when it is possible. And I do that on many many occasions.

I am hopeful that under the leadership of Ms. Newman, the Economic Development Administration will again serve the constituency of this country. I believe that. I underscore it when I make this statement. Many communities, not just a few, particularly in the rural areas of this country, continue to need and to deserve assistance to retain those existing businesses, perhaps to attract even new businesses, into the areas.

EDA can serve a useful purpose in such a role with the Congress continuing to appropriate funds through an authorization. If we are to have funds for this program, and use them properly, the agency must be managed within the language of the statute, not outside it. Ms. Newman has certainly indicated in the conversations that she has had with me and others that it is her intention to undergird her efforts in this job in such a role. I commend her for the attitude she has expressed and I have a feeling, a belief that she will work with us, not that we would direct her in any sense but we are members who are concerned with the subject matter that she will be dealing with.

Many of us have strong beliefs about the value of EDA and its need for reauthorization. And again, Ms. Newman, you were very frank in your discussions with me and I am sure that that is true with other members. I wish you well. I am not expecting that you will do what I would want you to do but I am expecting that you will undertake this vitally important task with the knowledge that it has, in large degree, been successful. Mistakes have been made, of course, but the undergirding of this program to help people and communities and to increase the viability certainly of rural sections has been very valuable.

Thank you, Mr. Chairman.

Senator STAFFORD. Thank you very much, Senator Randolph, Senator Mitchell.

## OPENING STATEMENT OF HON. GEORGE J. MITCHELL, U.S. SENATOR FROM THE STATE OF MAINE

Senator MITCHELL. Thank you, Mr. Chairman.

I do have an opening statement which I will ask to be placed in the record and I would like to make some brief remarks and not take too much time.

Senator STAFFORD. Certainly. Without objection, it will be placed in the record.

Senator MITCHELL. I do want to welcome Ms. Newman to this hearing as well as our colleague, Senator Humphrey and Congressman Gregg and Congressman Smith. If Ms. Newman's nomination is confirmed and I expect it will be for she has a most impressive record and

I, for one, intend to vote for her. I wish her every success in the important and difficult task of administering the Economic Development Administration. As you know the agency was created to promote the long-range economic development of areas with severe and persistent unemployment and with low per capita income. The EDA does this by developing public facilities and private enterprise to create new and permanent jobs and to preserve existing jobs which might otherwise be lost.

I am one of the members of the committee who has been a strong supporter of EDA. It has been of critical importance to my own State of Maine which is an area of persistent high unemployment and low per capital income. I recognize as do many of the other supporters that EDA has significant shortcomings which must be corrected, but on balance it has been a successful and important program. It will be a difficult task to administer the agency because as Senator Randolph indicated for the past few years the administration has proposed its elimination. Congress on the other hand has rejected that proposal and insisted that the agency continue. You then face the difficult task of balancing your loyalty, the administration of which you are a part and the President who appoints you and the law which you will swear to uphold and administer.

We are confident that you will carry out the will of Congress and administer the laws as written because that, of course, will be your obligation. I wish you very much success in that effort. We are looking forward frankly to new and more vigorous and more committed administration of the agency and we look to you to accomplish that.

[Senator Mitchell's statement follows:]

OPENING STATEMENT OF HON. GEORGE MITCHELL, U.S. SENATOR FROM THE STATE OF MAINE

MR. CHAIRMAN: I want to welcome Ms. Newman to our Committee today. If her nomination is confirmed, and I expect that it will be, I wish her every success in administering the Economic Development Administration.

The agency was created to promote the long-range economic development of areas with severe and persistent unemployment and with low per capita income. EDA aids in the development of public facilities and private enterprise to create new, permanent jobs and to preserve existing jobs which might otherwise be lost by the shutdown of an industry in such areas.

I am a strong supporter of EDA. No matter how successful national economic policies may be in stimulating overall economic growth and reducing inflation and unemployment, important structural problems will remain. Many of our nation's urban and rural communities and multi-state regions will still be experiencing unemployment, lagging economic growth, industrial decline and underutilized production facilities and resources. EDA represents an effort to correct those disparities.

EDA is directly responsible for creating and saving thousands of jobs in Maine. In a state with chronic unemployment problems and an economy aggravated by high energy costs, this is a substantial contribution. Many Maine communities do not have the indigenous resources to attract substantial private investment. EDA has provided that seed money.

Let me give some examples found in Maine of the kind of targeted assistance that can save and create jobs by attacking economic growth head-on . . .

EDA funds to match locally raised money are being used to build a major fish-handling facility in Portland. It will be the only bulk fish handling and marketing facility north of Boston, and it has real potential for substantially improving the competitiveness of U.S. fisheries against the subsidized Canadian industry. Another EDA grant matched local money in the Saint John Valley, to build a central potato handling and packing facility for the region. It will help local farmers make the most of crop improvements they have already

undertaken, and it will help against another subsidized competitor from Canada. A loan guarantee to a group of private developers in downtown Portland is securing a major revitalization of the downtown business district, which will benefit the entire city. A guaranteed loan to a resort at Sugarloaf Mountain has helped save 440 jobs.

None of these loan guarantees or direct grants have been billion-dollar expenditures. All have involved private sector jobs, and each of them has the potential for returning many more dollars to the federal government in taxes on wages earned and profits realized.

Administering EDA will be a difficult task. For the past two years, the Administration has proposed the elimination of the agency. Congress, on the other hand, has rejected attempts to kill EDA, recognizing that local pockets of unemployment and economic stagnation exist which need the specialized, targeted aid which EDA can provide. In spite of the Administration's position, Ms. Newman must carry out the will of Congress and administer EDA's programs to the best of her ability. Again, I wish her success.

Senator STAFFORD. Thank you very much, Senator Mitchell.

As I said at the outset we are very happy that the member of our committee, a very valuable member and chairman of one of our subcommittees, Senator Gordon Humphrey is here this morning, together with two Members of the House.

Senator Humphrey, would you care to introduce Ms. Newman to us?

## STATEMENT OF HON. GORDON J. HUMPHREY, U.S. SENATOR FROM THE STATE OF NEW HAMPSHIRE

Senator HUMPHREY. I would not only care to, but it would be a great pleasure, Mr. Chairman. Thank you for the privilege.

I am pleased to introduce to my colleagues on the committee, one of my favorite constituents from New Hampshire, Bonnie Newman who presently serves as associate director of the White House Office of Personnel. She has a strong résumé to which Senator Mitchell has already pointed. I could add only that I know her personally and that I know she has strong executive capabilities and a fine record and I certainly commend her personally to the committee.

I think if I may, Mr. Chairman, Congressman Gregg, my colleague from New Hampshire, might like to participate in this as well.

Senator STAFFORD. Thank you, Senator. I intended to be sure that he did. So next we will recognize Congressman Gregg who is from New Hampshire also.

## STATEMENT OF HON. JUDD GREGG, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW HAMPSHIRE

Mr. GREGG. Thank you, Senator.

Senator Humphrey, Senator Randolph, Senator Mitchell, Representative Smith, certainly it is a pleasure for me to be here today because Bonnie and my paths have crossed and we have been associated on many occasions. Just to give you a little history of her background, she was dean of students at UNH and at a very young age. That is a very important job. From that she moved on to head something called the Forum on New Hampshire's Future which was an organization put together by many of the leading citizens of New Hampshire who were concerned about the growth range in the State; through the issues of growth and where growth is occurring, where it wasn't occurring. The Forum on New Hampshire's Future was

entirely funded by private sector money but involved the broadest cross-section of New Hampshire leaders who chose her among innumerable candidates to run this organization.

It was a very complex job heading an organization which nobody really knew where it was going or how it was going to succeed. The Forum on New Hampshire's Future was extremely successful. From that she went on to run my own political campaign for office which was also successful and then she was my A.A. down here in Washington for about a year and a half before she moved over to the White House.

They captured her away which was a disappointment to me but a great step for her and something I enthusiastically encouraged her to do. When you are looking for someone for a job in the Federal Government, I presume you are looking for someone who has very high integrity. Bonnie's integrity is unquestioned. She employs good managerial people. This was her strongest point in running my office and in running my campaign. She is imaginative, flexible, and intelligent. Those are the types of qualities you need in the job like this which is obviously going to have various pressures on it. I give her my highest recommendation and I am glad to hear the committee is well disposed already and I think as you investigate her credentials you will even become more impressed with her capacity to serve in this position.

Thank you.

Senator STAFFORD. Thank you very much, Congressman.

Senator RANDOLPH. May I interrupt for a quick observation.

Senator STAFFORD. You may indeed.

Senator RANDOLPH. I think it is highly important that we have heard from someone who has had Ms. Newman in his employ and I listened and watched as Representative Gregg spoke and I knew that he was telling us the truth.

Mr. GREGG. Thank you.

Senator STAFFORD. Thank you very much, Senator Randolph.

Let me start by saying that when you gave a little history I began to think you might be getting back to the time when your father and I were both in the State governments back in New Hampshire and Vermont.

Mr. GREGG. That would be a long history, Senator.

Senator STAFFORD. I asked for that.

Congressman Smith, we would be very happy to hear from you. I notice you have been a pilot most of your life. I am sure it pleases Senator Randolph as well as myself.

## STATEMENT OF HON. DENNY SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OREGON

Mr. SMITH. Mr. Chairman, it is a privilege to be here today as a close personal and family friend. Bonnie has become a close friend of my family in the 3 years that we have been here and I just can't say anything more than that I am here as a friend who has a great respect for this lady's ability and I think she will do a great job, Senator Randolph, in meeting your concerns in dealing with the small areas of this country that don't have the opportunities of some of the other more populous and more employed areas.

My State certainly has difficulties and Bonnie is a friend.

Senator STAFFORD. Thank you very much, Congressman. I would say both to Congressman Gregg and Congressman Smith we know how busy you are. We would be delighted to have you stay here if you wish but we will understand if other engagements require you to leave. You are welcome if you wish to stay. You are excused if you wish to leave.

I think I will throw formality to the winds here and say, Bonnie, after the introductions and all, we will invite you at this point to make any statement you wish to.

## STATEMENT OF MS. JANE E. (BONNIE) NEWMAN, NOMINATED FOR ASSISTANT SECRETARY OF COMMERCE FOR ECONOMIC DEVELOPMENT

Ms. NEWMAN. Thank you, Senator.

Mr. Chairman, members of the committee, good morning and thank you for the courtesy of this hearing so early in your legislative session. I wish to express my gratitude to President Reagan for the honor of this nomination and to my parents, family, and friends for their continuing support and encouragement. Today's honor is as much theirs as mine.

I would like to begin by expressing my pleasure at appearing before you this morning, as well as the sense of personal responsibility that accompanies the position to which President Reagan has seen fit to appoint me. And while I shall serve at the President's pleasure, if confirmed, I want you to know that I look forward to the opportunity of serving all those who have an interest in and oversight of the Economic Development Administration.

Early in this century, before Herbert Hoover transformed the Commerce Department into a powerful voice in the councils of government, it was joked around Washington that its Secretary's sole functions were "to put the fish to bed at night and turn out the lights along the coast."

Much has changed since then. Commerce today is entrusted with far more than lighthouses and fish hatcheries. The Department has at the heart of its mandate our free enterprise system. Over one of the entrances to the Hoover Building is an inscription attributed to Abraham Lincoln. It pays tribute to the Patent Office, which in Lincoln's words "added the fuel of interest to the fire of genius."

What Lincoln said about inventors could apply with equal truth to every kind of ingenuity. The core of the President's economic recovery program recognizes this. It dusts off old words like incentive, even while embracing the new technologies that are society's reward for recognizing and accommodating any man or woman with a new idea and the individual ambition to pursue it.

It is because of this faith in free enterprise—a system, by the way, on which society itself holds the franchise—that the administration harbors doubts about some programs that promise economic development, but don't always live up to their promises. At a time when many Americans are justifiably concerned about red ink and redtape alike, it seems fair to subject any Federal agency making such promises to careful scrutiny.

Economic development is a field in which I have worked for a number of years. I'm well aware of the possibilities for achievement when grossroots officials, citizens' organizations, and business representatives pool their resources and plumb their imaginations.

Our Nation has a budgetary problem; no one in this room needs to be reminded of that fact. Equally important, we also have a genuine economic recovery, based on fundamentals like lowered inflation and interest rates. We see unemployment diminishing—not because government is making work—but because government is giving the private sector the fiscal tools with which to make for lasting prosperity. Doesn't it make more sense to entrust local economic development to those closest to the situation? Those better equipped than Uncle Sam to initiate long-range programs with immediate investment?

Back home in New Hampshire, they tell a story of the farmer who was asked by a summer visitor why there happened to be so many rocks on his land. "Glacier brought 'em," replied the farmer. To which the summer visitor responded by asking what the farmer was going to do about them. "Wait for another glacier to take 'em away," came the response with laconic Yankee eloquence.

I assure you: We have no intention of waiting for another glacier to take away either EDA or the people and programs who embody its mission. The agency exists, and so long as that is the case, we have an obligation to manage it as well as we can, to target the tax dollars as carefully as we can, and to provide its staff an example worthy of their own talents. Those talents, I have already discovered are very considerable, and in the months ahead, it is my intention to maintain and, if possible, raise still higher the standards that they represent.

Several key vacancies will need to be filled if we are to implement the program for fiscal year 1984. The process of selection will follow upon my own assessment of our needs. We are in the process of making an official announcement of program fund availability through the Federal Register, and I am already working closely with EDA staff to realize potential where others see only problems—and to do so in accordance with the intent of Congress.

All this will be possible if we in this city can emulate the true economic developers across America—those who have formed partnerships of possibility. It is that kind of relationship to which I look forward. And it is in that spirit that I would welcome the opportunity to answer any questions you may have.

Thank you.

Senator STAFFORD. Thank you very much, Bonnie.

Let me ask you first. Do you have any economic interest or any employment responsibilities which might put you in the position of being in conflict of interest in the event you are confirmed in this position.

Ms. NEWMAN. None which I am aware of, Senator.

Senator STAFFORD. If you are asked to appear as a witness before this or any other committee of the House or Senate are you willing to appear?

Ms. NEWMAN. Enthusiastically.

Senator STAFFORD. What do you see as EDA's basic mission at the present time?

Ms. NEWMAN. I think the primary mission, Senator, given the present funding level of the program is to be certain that the money is spent well toward the objective of assisting distressed areas of this country by creating long-term job opportunities and strengthening the economic base of these areas.

Senator STAFFORD. I am going to ask you a few more questions and then ask that you answer some others in writing. I would like to reserve, if there is no objection, the privilege to all members of the committee, especially those who aren't here this morning, an opportunity if they will do so promptly to submit questions to you in writing. The more speedily you can get the answers back to such questions the quicker we can take your nomination to the floor.

So having said that, let me say again that any questions I may ask now that you wish to respond to in writing rather than immediately will be agreeable to me since some are almost essay-type invitations as far as the questions are concerned.

What do you view as the appropriate Federal, State, and local roles in carrying out economic development activities?

Ms. NEWMAN. Senator, I would be happy to answer that one in writing as well.

Senator STAFFORD. That is why I said you could do it that way if you wish.

How centralized or decentralized should EDA operations be?

Ms. NEWMAN. Senator, that is a matter that I am very anxious to address with the EDA staff. I know it has been a matter that has had considerable discussion and review and I will be anxious to review that with the staff.

Senator STAFFORD. I think that I will ask that the rest of the questions I have be answered in writing in order to give you a chance to reflect on your answers a bit before you make them.

I would appreciate you getting them back to us as soon as you can.

Ms. NEWMAN. I would be happy to do that.

Senator STAFFORD. Senator Randolph.

Senator RANDOLPH. Yes. Thank you very much, Mr. Chairman. I look back at fiscal year 1983 and the notice of availability of funds for grant applications did not take place until May.

Ms. Newman, could you tell us when the notice based on your knowledge would go forward this year, when funds will be possibly approved for grant?

Ms. NEWMAN. Senator, I am pleased to notify you that we reviewed the criteria last week and they have now been forwarded to the Federal Register for publication.

Senator RANDOLPH. Thank you very much. That is action. This is January or right into February and not May. During these past few years in which I have been mentioning the administration's program, we have had personnel reductions and I can understand those. I am not sure what percentage of total EDA employees is concerned—let's say 1980 would be a comparison. Could you make that or do you have knowledge enough to know whether it was good to have less employees or what do you feel or have you gotten any reaction?

Ms. NEWMAN. Unfortunately, Senator, not having been there it is difficult for me to have a perspective that I feel would be accurate. I have, however, been very impressed with the staff that I have met in the last week and a half at the EDA.

I know that there have been considerable cutbacks. There are presently 472 people on the staff at the EDA. The talent seems to be considerable and I am hoping that together with them we will be able to effectively manage the program.

Senator RANDOLPH. And you would say, then, I believe that there is a sufficient personnel knowledgeable, cooperative, that the act could be implemented even with the personnel as you see it now?

Ms. NEWMAN. At the moment, given the information that I have, that appears to be true.

Senator RANDOLPH. Thank you, very much.

Thank you, Senator.

Senator STAFFORD. Thank you, very much, Senator Randolph.

Senator Mitchell.

Senator MITCHELL. Thank you, Mr. Chairman.

Ms. Newman, the central concern that I have as you know from our prior conversations is that you have been appointed to this office by a President who does not believe that the agency which you will administer should exist.

The administration has argued in each previous budget and we expect it will propose again in the next budget that the EDA should be eliminated. You obviously have some obligation to the President which you have expressed in your statement but of course when you take the oath of office you will take the oath to administer the law and the law is now and is likely to be contrary to the wishes and the policies of the President who appoints you.

I believe that your predecessor attempted to accomplish administratively what the administration could not accomplish legislatively, which was to terminate the agency, to undermine its effectiveness in such a way as to make it not a feasible operation. And I would like to have you tell us as specilcally as you can what your intention will be in this regard in this decision in which you find yourself.

Ms. NEWMAN. Thank you, Senator.

As you know, I am an enthusiastic supporter of President Reagan. I also have a high regard and respect for the Congress and the role that Congress plays relative to the future of the Economic Development Administration.

There are decisions which will need to be made by the Administration and the Congress affecting EDA. My role will be to administer the EDA to the best of my ability and in accord with the intent of Congress. I will strive to do that job and to do it well.

Senator MITCHELL. So I gather it is your intention to make the agency work as effectively as you can make it consistent with the law as it states the objectives of the agency?

Ms. NEWMAN. Absolutely, Senator.

Senator MITCHELL. And it is not your intention to attempt through administrative practices in any way to defeat the purposes for which the agency is created?

Ms. NEWMAN. That is not something that in good conscience I would ever be able to do, Senator.

Senator MITCHELL. I would like to make a couple of comments, if I might. You correctly pointed out in your statement that unemployment is diminishing and that is something which all Americans are deeply grateful for but I would also point out to you that unemployment is still extraordinarily high; 8.2 percent is good in relation to 10.2

percent. It is not good in view of the historic rate of unemployment in this country.

The decade of the 1960's, the unemployment rate in this country averaged 4 percent. In the decade of the 1970's, it averaged 6 percent and is now 8.2 percent. So there are still many millions of Americans out of work who want to work and who could benefit from the practices of this agency, from the effective operation of this agency. This is a very, very important mission that you have, very important task and I cannot overemphasize that.

My own State has seen the creation or the saving of thousands of jobs as a direct consequence of EDA's actions and it has been of critical importance there.

The other point I want to make is a more philosophical one. The Secretary of Commerce came before this committee and making the argument for abolishing the EDA, talking about free enterprise and Government's role and suggested that the EDA was inconsistent with the economic policies and heritage of this country. And I just want to point out to you that that is not the case.

The national economic policy of this country for nearly two centuries has been for an active and important Federal role in equalizing regional inequalities in economic development. And I will not take a lot of time now because Senator Burdick and others have more questions. But if you look at the Railroad Land Grant Act, of which the Federal Government gave away 131 million acres of land, that is the land equivalent of the entire Northeastern States, 13 States from West Virginia to Maine, to encourage the development of the West.

The Homestead Act, the Reclamation Lands Act which enabled the western areas of this country to be developed, now among the most productive farmlands in the world where there was nothing growing before the Federal Government got involved and without which there would be no Los Angeles, no Phoenix, no Denver.

If you look at the TVA, if you look at hydroelectric development in which 175 hydroelectric projects have been built around this country, at Federal expense to enable local development, the whole history of this country is aggressive, focused national effort to equalize, to help to equalize regional differentials and income and unemployment and EDA is in fact perfectly consistent with American heritage except that it is far, far smaller, both in absoute terms and in relation so the national economy than were these previous efforts.

So what you are doing is an important task consistent with the economic history, heritage and tradition of this country. And I think that you really are a critical figure in this administration and we are looking to you for the kind of leadership and effort that frankly this agency has not had since 1981.

I thank you, Mr. Chairman.

Senator STAFFORD. Thank you, very much, Senator Mitchell. We are delighted with Senator Burdick, whose long major interest in the Economic Development Administration and most important member of this committee, has joined us.

Senator Burdick.

Senator BURDICK. I don't intend to conduct major cross examination. I simply want to know how you feel about EDA.

Do you think it has a proper role in this country?

Ms. NEWMAN. Yes, Senator, I do. I think this is an important program. That is the reason that I am interested in assuming this responsibility at the President's request.

I come from a region of the country that has utilized the program. I am familiar with its impact and I look forward to the administrative challenge.

Senator BURDICK. I know that you will be a loyal employee and perhaps it is unfair to ask your personal views. But as we go along with this administration and you may see the need for additional funding, would you hesitate to suggest it?

Ms. NEWMAN. Senator, my colleagues in the administration know me for my candor. I am sure there will be many frank discussions held between myself and them with respect to this program.

Senator BURDICK. In other words, as you pursue your duties, you will maintain a little independent thought at the same time?

Ms. NEWMAN. Yes, sir.

Senator BURDICK. That is good enough for me.

Senator STAFFORD. Thank you, Senator Burdick.

Senator Humphrey, you are at the witness table. You have introduced Bonnie to us. You are certainly entitled to questions if you have any.

Senator HUMPHREY. We have a few pending grant applications that I would like to ask about.

But I don't want to take unfair advantage of the situation.

Thank you, Mr. Chairman. I will pass.

Senator STAFFORD. Thank you, Senator Humphrey.

There being no further questions, I think unless you have something further you wish to say for the committee, we will at this point conclude the nomination hearing for you.

Ms. NEWMAN. Thank you, Senator, I look forward to working with all of you and would be happy to answer additional questions at any time.

Thank you.

Senator STAFFORD. Thank you, very much.

[Ms. Newman's résumé, financial statement, and responses to additional questions follow:]

30-786 O - 84 - 3

Jane E. (Bonnie) Newman
2030 "F" Street, #402
Washington, D.C. 20006

Telephone: 202/456-1414

P.O. Box 562
Newmarket Road
Durham, New Hampshire 03824

EDUCATION

St. Joseph's College, Standish, ME
B.A. Social Science, 1967

The Pennsylvania State University, State College, PA
M.Ed. Higher Education Administration, 1969

.....

Rivier College, Nashua, NH
Doctor of Humane Letters, honoris causa, 1983

EXPERIENCE

The White House
Washington, D.C.

Associate Director
Presidential Personnel
6/82 to Present

Responsible for the identification, review and recommendation to the President of individuals to serve in Presidential Appointments and non-career government positions.

U.S. House of Representatives
Washington, D.C.

Administrative Assistant
1/81 to 6/82

Chief of Staff for Representative Judd Gregg (R-N.H.) with management responsibility for all aspects of five Congressional offices including staff, budget, constituent service, legislation, policy development and liaison with private, state and federal agencies.

Judd Gregg for Congress Committee
Nashua, New Hampshire

Chairman
6/80 to 11/80

Campaign manager for Judd Gregg, Republican candidate for Congress in New Hampshire's second district. Mr. Gregg achieved a 34% vote in a hotly contested, nine person primary and 64% vote in the general election. Responsibilities included strategy development, fund raising, media contacts, advertising, and

Forum on New Hampshire's Future
Concord, New Hampshire

Executive Director
1/78 to 6/80

Administration of a privately funded non-profit organization established to address New Hampshire's rapid population and industrial growth through statewide citizen participation programs. Responsibilities included budget, fund raising, video productions, public speaking, conducting seminars, publications, media relations, and coordination with public and private agencies.

University of New Hampshire
Durham, New Hampshire

Dean of Students
1/72 to 1/78

A principal officer of the University, student population 10,500, responsible for the management of all student life programs and staff; international students, judicial system, residential life (24 halls), freshmen and transfer orientation, student organizations, veterans programs, publications and liaison with community and state officials.

Citizens for Reagan
New Hampshire Presidential Primary

Campaign Aide
12/75 to 3/76

Campaign aide during the New Hampshire and Alabama primary elections for Governor Ronald Reagan. Responsibilities included advance-work, scheduling, travel and hotel arrangements.

Salem State College
Salem, Massachusetts

Director of Housing*
7/71 to 1/72

University of New Hampshire
Durham, New Hampshire

Assistant Dean of Students*
9/69 to 7/71

The Pennsylvania State University
University Park, Pennsylvania

Residential Life Coordinator*
1/68 to 8/69

Massachusetts Division of Child Guardianship
Lawrence, Massachusetts

Social Worker*
7/67 to 12/67

*Details, if requested, will be provided

Jane D. (Sonnie) Newman: Assistant Secretary of the Economic Development Administration, Department of Commerce
(Durham, NH)

Background:
1982-present: Associate Director, Presidential Personnel, White House
1981-1982: Administrative Assistant, Congressman Judd Gregg (R-New Hampshire)
1980: Judd Gregg for Congress Committee, Chairman/Campaign Manager
1978-1980: Executive Director, Forum on New Hampshire's Future
1972-1978: Dean of Students, University of New Hampshire
1975-1976: Campaign Aide, Citizens for Reagan, New Hampshire Presidential Primary
1971-1972: Director of Housing, Salem State College, Salem, Massachusetts
1969-1971: Assistant Dean of Students, University of New Hampshire
1979-1980: Governor's Advisory Council on Growth: Economic Development and Land Use Committees

ACTIVITIES

Board of Directors, Indian Head Banks, Inc. 1978-82 (Emeritus)
Board of Directors, Center for New Hampshire's Future 1980-82
Board of Directors, LPGA/UNH Pro-Am Classic
Board of Overseers, St. Joseph's College, 1971-75
Executive Board, Daniel Webster Council Boy Scouts of America, 1979-81
Governor's Advisory Council on Growth: Economic Development & Land Use Committees, 1979-80
New England Association of Schools and Colleges, Accreditation Teams, 1973-75
Administrative Assistants' Association, U.S. House of Representatives 1981-82
Republican Women's Club of Capitol Hill
Outstanding Young Women in America, 1971
Woman of Achievement, Seacoast Business and Professional Women's Club, 1978
New Hampshire's Future Food Policy Study Committee, 1979

United States of America
**Office of Government Ethics**

COPY

Office of Personnel Management
Washington, D.C. 20415

JAN 25 19

Honorable Robert T. Stafford
Chairman, Committee on Environment
and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by Jane E. Newman, who has been nominated by President Reagan for the position of Assistant Secretary for Economic Development, Department of Commerce.

We have reviewed the report and have also obtained advice from the Department of Commerce concerning any possible conflict in light of the Department's functions and the nominee's proposed duties. Based thereon, we believe that Ms. Newman is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

David H. Martin
Director

Enclosure

# PUBLIC DISCLOSURE REPORT

DR

(1) Filing Status (Check Appropriate Box)

☐ Incumbent ☒ Nominee, Appointee or Candidate ☐ Termination Report

NOTE: All items must be filled. Enter "None" in boxes or columns where information is not applicable.

Date of Event Requiring Report (Month, Day, Year): JAN 4 1984

Date Report Received: JAN 16 1984

| | Last Name | First Name and Middle Initial |
|---|---|---|
| (2) Reporting Individual's Name | Newman | Jane E. |
| (3) Position for Which Filing | Title of Position: Assistant Secretary for Economic Development | Department or Agency (If Applicable): Commerce |
| (4) Location of Present Office | Address (Number, City, State, ZIP Code): Old Executive Office Building, Washington, DC 20500 | Room No.: 143 |
| | | Telephone No.: (202)456-2147 |
| (5) Presidential Nominees Subject to Senate Confirmation | Name of Committee Before Which Confirmation Hearing Is Pending: Environment and Public Works | Date Committee Questionnaire Received: ☐ Yes ☒ No |

(6) Position(s) Held With the Federal Government During the Preceding 12 Months (If Same as Above)

Title of Position and Date Held: Associate Director, Presidential Personnel June 1982-Present

**Certification**

I certify that the statements I have made on this form and all attached statements are true, complete and correct to the best of my knowledge and belief.

Signature of Reporting Individual: Jane E. Newman

Date (Month, Day, Year): 12-14-83

**Agency Ethics Official's Opinion**

On the basis of information contained in this report, I conclude that the filer is in compliance with applicable laws and regulations.

Signature of Designated Agency Ethics Official or Designee: Maureen Bhargava

Date (Month, Day, Year): 1-13-84

**Office of Government Ethics Use Only**

Comments of Reviewing Official (If you have any comments regarding this report, attach additional sheet.)

Signature of Reviewing Official: David H. Martin

Date (Month, Day, Year): 1-25-84

(Check box if comments are continued on attached sheet.)

## INCOME AND INTERESTS IN PROPERTY

This schedule is applicable in the case of all reporting individuals

| | Yes | No |
|---|---|---|
| Do you, your spouse, or dependent child receive income from, or have a beneficial interest in a trust? | | X |
| If "yes", have you reported the income from the trust? | | |
| If "yes", have you reported the assets of the trust? | | |
| If "yes", is this trust an "excepted" trust? | | |
| or "qualified" trust? | | |

| | Yes | No |
|---|---|---|
| Do you have any interests in property, purchases, sales, or exchanges, or liabilities of a spouse or dependent child which you have not reported? | | X |
| If "Yes," do you certify to all of the following? 1. They represent solely your spouse's or dependent child's financial interests or responsibility. 2. They are not, in any way, past or present, derived from your income, assets, or activities. 3. You neither derive, nor expect to derive, any financial or economic benefit from them, and 4. You do not have knowledge as to the composition of such interests or liabilities. | | |

Page 2

Name: Newman, Jane E.

Date: JAN 4 1983

| Identification (1982-1983) | Income: Type of Income | Income: Category of Amount or Value | Interests in Property: Value | Interests in Property: Type |
|---|---|---|---|---|
| Indian Head Banks, Inc - common | X | X | H | X |
| Chapman Energy - common | X | X | H | X |
| Shearson AMEX Government & Agencies Money Market | X | X | H | X |
| White House Credit Union | X | X | H | X |
| Residence - Durham, NH | X | X | A | X |
| Shearson AMEX - IRA | | X | H | X |
| TIAA-CREF - Retirement | | X | H | X |

## PURCHASES, SALES, AND EXCHANGES

This schedule is applicable only in the case of annual and termination reports.

Page 3

Newman, Jane E.

Date of Report (Month, Day, Year) 5/15/2004

Report Applicable Transactions, Even if Also Reported on Schedule A

| S or DC | Identification of Property (real and personal) | Type of Transaction | | | Date (Month, Day, Year) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Purchase | Sale | Exchange | Purchase | Sale or Exchange | $1,001 to $15,000 | $15,001 to $50,000 | $50,001 to $100,000 | $100,001 to $250,000 | $250,001 to $500,000 | $500,001 to $1,000,000 | Over $1,000,000 |
| | Not applicable - Nominee | | | | | | | | | | | | |

## GIFTS AND REIMBURSEMENTS

This schedule is applicable only in the case of annual and termination reports.

Number 14 C

Name of Reporting Individual: Newman, Jane E.

Date of Report: April 1984

I. Lodging, Transportation, Food and Entertainment.—List each source totaling $250 or more in value

| Item No. | Source (Name and Address) | Brief Description | Value |
|---|---|---|---|
| | Not applicable - Nominee | | |
| | | | |
| | | | |
| | | | |
| | | | |

II. Other Gifts.—List each source totaling $100 or more in value

| Item No. | Source (Name and Address) | Brief Description | Value |
|---|---|---|---|
| | Not applicable - Nominee | | |
| | | | |
| | | | |
| | | | |
| | | | |

III. Reimbursements.—List each source totaling $250 or more in value

| Item No. | Source (Name and Address) | Brief Description | Value |
|---|---|---|---|
| | Not applicable - Nominee | | |
| | | | |
| | | | |
| | | | |
| | | | |

Title 5 Section, 6450, as noted for this third section, is applicable to the case of all reporting individuals.

Reporting Individual's Name: Newman, Jane E.

Date of Filing (Month, Day, Year): JAN 4 1984

Page Number: 5

## LIABILITIES

| No. | Name and Address of Creditor | Type of Liability (e.g., promissory note, margin account) Give date, interest rate and, if applicable, term | | | | |
|---|---|---|---|---|---|---|
| | None | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

## POSITIONS HELD ** continued on other side

| Name and Address of Organization | Type of Organization | Position Held | From (Month, Year) | To (Month, Year) |
|---|---|---|---|---|
| Boy Scouts of America, Daniel Webster Chapter, Manchester,NH | Non-Profit | Director | April 79 | April 81 |
| Indian Head Banks, Inc., Nashua, NH | Bank Holding Company | Director | April 78 | June 82 |
| Center for NH's Future, Concord, NH | Non-Profit | Director | January 81 | October 82 |
| LPGA-UNH Pro Am Classic, Durham, NH | Non-Profit | Director | August 80 | Present |

## COMPENSATION IN EXCESS OF $5,000 PAID BY ONE SOURCE This section is applicable only in the case of nominees and new entrants.

| Source (Name and Address) | Brief Description of Duties |
|---|---|
| None | |
| | |
| | |

## RELATIONS WITH OTHER EMPLOYERS

| Description of Terms of Any Agreement or Arrangement | Parties | Date (Month, Day, Year) |
|---|---|---|
| None | | |
| | | |
| | | |

| | | | |
|---|---|---|---|
| U.S. Representative Judd Gregg, House of Representatives<br>Washington, DC | Government | Administrative Assistant | January 81 - June 1982 |
| The White House, Washington, DC | Government | Associate Director<br>Presidential Personnel | June 1982 - Present |

Newman, Jane E.

6

...STICS

| | Type of Liability (e.g., promissory note, mortgage, etc. Give date, interest rate and, if applicable, due date) | | | |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

...ITIONS HELD

| | Type of Organization | | | |
|---|---|---|---|---|
| U.S. Representative Judd Gregg, House of Reps. WDC | Governme..t | Admin. Assistant | 1/81 | 6/82 |
| The White House, WDC | Government | Assoc. Dir. Pres. Personnel | 6/82 | Present |
| | | | | |
| | | | | |

...PLICATION IN EXCESS OF $5,000 PAID BY THE COUNCIL (This section is applicable only in the case of nominees and new entrants.)

| | |
|---|---|
| | |
| | |
| | |

...LATIONS WITH OTHER EMPLOYERS

| | | |
|---|---|---|
| | | |
| | | |
| | | |

GENERAL COUNSEL OF THE
UNITED STATES DEPARTMENT OF COMMERCE
Washington, D.C. 20230

25 JAN 1984

Honorable Robert T. Stafford
Chairman, Committee on Environment
and Public Works
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Jane E. Newman has been nominated by President Reagan as Assistant Secretary for Economic Development. The Assistant Secretary serves as the head of the Economic Development Administration (EDA), a sub-unit of the United States Department of Commerce. Duties of that position include advising the Secretary on economic development activities, proposing Federal development policies, assisting State and local agencies in economic development programs, and sponsoring research and studies on economic development. Ms. Newman filed her financial disclosure report with the Department on December 14, 1983. By letter to David H. Martin, Director of the Office of Government Ethics, my office certified that Ms. Newman's report was complete and disclosed no financial interest which violates or appears to violate applicable conflict of interest laws and regulations.

Ms. Newman lists financial interests in investment firms, financial institutions, and an oil and gas company. Because these holdings are not directly involved in economic development, it is my opinion that these interests do not represent an impediment to Ms. Newman's serving as Assistant Secretary. The matters with which Ms. Newman will deal in her government position are not likely to significantly influence, or be influenced by, her financial interests.

Given the nature of the Assistant Secretary's duties, it seems most unlikely that a particular matter would arise involving her financial interests. However, should such a matter develop, Ms. Newman could refrain from participating personally or seek a waiver under 18 U.S.C. 208(b) if the interest is insubstantial.

Sincerely,

Irving P. Margulies
Acting General Counsel

UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Economic Development
Washington, D.C. 20230

February 7, 1984

Honorable Robert T. Stafford
Chairman, Committee on Environment
and Public Works
United States Senate
Washington, D.C. 20510

Dear Senator Stafford:

Thank you for your letter dated January 31, 1984, forwarding follow-up questions for my confirmation hearing before the Committee.

Working with my staff, I have prepared answers to those questions you have submitted to me, and the one question for which Senator Moynihan requested an answer. This material is enclosed, which I trust satisfies the needs of the Committee. However, should additional information or material be required, please call upon me to respond.

I appreciate the Committee's scheduling my hearing so early in the legislative calendar year. Your leadership and counsel has been warmly welcomed. I look forward to working with you, and the Committee, in the future.

Sincerely,

J. Bonnie Newman

J. Bonnie Newman
Assistant Secretary-Designate
for Economic Development

Enclosure

1. Q. What do you see as EDA's priorities at present? What do you intend to place an emphasis on in terms of programs and types of projects?

   A. Our priorities will all center on our efforts to carry out the programs mandated by the Congress in the most efficient and effective manner possible.

   The distribution of funding among the various EDA programs is spelled out in the committee reports accompanying our appropriations bills; we do not at this time intend to propose any reprogramming actions. The factors which will be considered in project selection are specified in our Federal Register announcements of the fiscal year 1984 EDA program. Copies of the announcements are attached. 1/

2. Q. What do you view as the appropriate Federal, State, and local roles in carrying out economic development activities?

   A. In our Federal system all levels must be involved in economic development.

   At the Federal level, all revenue and expenditure decisions have a bearing on economic development. The Federal government must focus on the issues that influence inflation, interest rates, and trade policy. An important adjunct to this role is the function of providing a broad range of data on business and economic conditions and various statistics on our population, including employment and income information, as well as other statistics which are important to the Nation, the States, localities, and the private sector.

   Particular local economic development problems should be addressed at the State and local level. Whenever possible, cooperative efforts among State and local officials and representatives of private and community interests should be marshalled to address local problems. Primary funding should be through the States and localities, although some augmentation with Federal funds is appropriate.

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1/ The attachments referred to have been retained in committee files.

3. Q. What can you tell us about the development of program guidelines for FY 1984? When do you anticipate making the official announcement of the guidelines and program fund availability?

A. The FY 1984 program guidelines were developed to emphasize agency funding priorities consistent with the provisions of EDA's authorizing legislation and sound economic development concepts. Our main emphasis will be to select projects, in partnership with State and local elected officials, that are conducive to the development of private enterprise in economically distressed communities.

On January 27, as Assistant Secretary-Designate, I signed the notice announcing the availability of funds for EDA's FY 1984 program and forwarded it to the Federal Register. The notice, which was published on Thursday, February 2, explains our project selection criteria and application procedures for the various economic development assistance programs.

The guidelines for the FY 1984 Loan Guaranty program were published in the Federal Register on December 14, 1983.

4. Q. How successfully has the $100 million EDA portion of the 1983 Emergency Jobs legislation (P.L. 98-8) been implemented? What guidelines will be used for distributing the additional $40 million earmarked in FY 1984 appropriations bill (P.L. 166) for remaining applications submitted in FY 1983 under the Emergency Jobs Act?

A. It is too early to determine how successful the Jobs Act projects will be in creating jobs for the unemployed and underemployed residents of the project areas. Information presently available to us indicates that the quality of the projects funded compares favorably to similar types of public works jobs programs. All but $33.00 of the $100 million appropriated were obligated, with the majority of the projects approved during August and September of 1983. Of the 211 projects approved, at least 85 projects involving some $38.2 million in EDA funds were under construction as of January 20, 1984.

The projects funded are expected to generate about 34,000 person months of construction jobs. An estimated 11,500 private sector jobs are to be created and over 4,400 saved as a result of the long-term economic development aspects associated with the approved projects.

The major impact of Jobs Act projects will not occur until calendar year 1984. Because of the immense interest and the large number of applications submitted in June and July of 1983, processing was not completed for most approved projects until September, the end of the construction season in many areas of the Nation. For this reason many projects will not begin construction until early Spring 1984.

Given that Jobs Act projects were awarded an average grant amount of $474,000, EDA was able to make a wider distribution of projects to distressed areas. Also, smaller sized projects can usually be substantially constructed within a year after the start of construction.

The guidelines published in the Federal Register on Thursday, February 2, will govern the implementation of the Emergency Jobs Act portion of the program this year. The guidelines are consistent with the provisions of Conference Report H.R. 3222, Department of Commerce, Justice, and State, The Judiciary, and Related Agencies Appropriations, 1984. We will give priority to those projects which were under consideration but did not receive funding under P.L. 98-8 in FY 1983. We will seek to identify and select the best of the unfunded projects.

This year we will use our regional offices to screen proposals before authorizing the submission of formal applications. Each regional office has been allocated a portion of the $40 million. Prior to my assuming the position of Assistant Secretary-Designate for Economic Development, applications for 27 projects involving $13.7 million submitted under the Jobs Act in fiscal year 1983 had been approved this fiscal year. Except as required to accommodate the conditions of assistance described in Section 101(a) of P.L. 98-8, we intend to select and process the Jobs Act projects and the regular Public Works program activities under the same criteria.

5. Q. There has been a great deal of concern expressed about the rate of defaults in EDA's loan and loan guarantee programs. Can you give us a status report on the magnitude of the problem? Also, what is your view on possibly discontinuing the loan programs altogether?

A. On September 30, 1983, $657 million or 67% of the outstanding balance of the EDA business loans portfolio was current, $231 million or 24% was in liquidation, with an additional $97 million delinquent for a total delinquency rate of 33% of an outstanding principal balance of $985 million.

Apparently, several factors have contributed to the delinquency rate of the EDA business loan portfolio. Among them are the quality of the initial credit decisions, poor loan servicing efforts, and the health of the economy.

EDA's delinquency rate reached its historical peak in 1982, and it has remained high in part because many firms that failed have not yet been fully liquidated, and as such are carried on EDA's books. The same economy that contributed to the high number of project failures works against quick disposal of project assets in liquidation. There is often a trade-off between speed in liquidating and collections on the Federal dollars invested. Of the 199 loans in liquidation as of January 1, 1984, 133 or 67% were involved in some kind of court proceedings, many of them in Chapter 7 or Chapter 11 bankruptcy. EDA has limited control over the liquidation in such instances.

The Administration is requesting Congress to discontinue all EDA programs, including the Business Loans program.

6. Q. How centralized, or decentralized, should EDA operations be?

   A. There is no question that balance is the key to effective management of the Economic Development Administration. All of the Economic Development Representative (EDR) positions are filled, and there is a definite EDA presence at the local level. Our regional office staffs coordinate the activities of the EDR's; they maintain a reasonable geographic balance of projects among the competing localities within their regions; and they screen projects for conformance with overall legal and administration requirements. Except for a limited number of Technical Assistance and Research projects, all EDA program activity is initiated in the field by the regional staffs and the EDRs. Final approval authority is presently retained at headquarters in order to assure technical and policy consistency.

7. Q. Should EDA be primarily a rural-oriented program, as it was originally, or should an urban-rural split be maintained?

   A. In my view, there are several factors to consider in determining what proportion of EDA's resources should be used to address economic distress in rural and urban areas, respectively. The first is the Agency's legislation, which makes both urban and rural areas eligible for various types of EDA assistance. The availability of other Federal resources for economic develoment purposes is another consideration. Although there are programs to stimulate development in rural areas, the funds provided by HUD's Community Development Block Grant and Urban Development Action Grant Programs--which are targeted primarily to urban areas--substantially exceed the amounts available for rural communities.

   Given these factors, and recognizing that distress exists in both urban and rural settings, it seems to me that a proper orientation for EDA is to help support worthwhile economc development projects in both types of areas, with a somewhat greater proportion of its funds directed toward rural development needs.

8. Q. Do you believe that eligibility requirements for participation in the EDA program should be narrowed? What selection and award criteria should be used in making funding decisions?

A. There is no question that too large a percentage of the country is currently eligible for EDA assistance. A distressed area's program that characterizes areas containing approximately 90 percent of the population as economically depressed is difficult to efficiently administer. It seems to me that decisions on whether to fund individual projects should be based on a variety of criteria, including the distress of the area to be served; the potential impacts (jobs and income) of the project, particularly on the area unemployed and underemployed; the level of private sector participation involved; and whether EDA participation is essential to project success.

9. Q. How effective are the various EDA programs--public works grants, planning assistance, technical assistance, research and evaluation, and economic adjustment grants?

A. It would be presumptuous of me to offer, at this point, specific assessments of each of the Agency's programs. I can say that while I share the Administration's overall concerns about EDA's effectiveness and am familiar with examples of projects that did not achieve their desired results, I am also aware of successful projects that have contributed significantly to local economies. If I am confirmed as Assistant Secretary for Economic Development, I will make every effort to increase the effectiveness of EDA's programs in achieving the economic development impacts they are intended to produce.

10. Q. What key agency positions are currently vacant and how much time to do you estimate it will take to fill them?

A. At present, the following key positions are vacant:

- o Deputy Assistant Secretary for Economic Development
- o Deputy Assistant Secretary for Finance
- o Budget Officer
- o Director of Congressional Relations

o Chief, Technical Assistance Division

o Chief, Public Works Debt Management Division

o Regional Director, Atlanta Regional Office

Upon confirmation, I will promptly undertake the actions necessary to fill these vacancies immediately. I am taking some very preliminary steps prior to confirmation.

11. Q. I understand that the Economic Development Agency now has 49 Economic Development Representatives stationed throughout the country. New York State is the only state that does not have an Economic Development Representative. Moreover, New York is also the only Northeastern industrial state lacking EDA field representation. The Philadelphia regional office currently handles our EDA needs.

As the nation's second most populous state, it seems altogether appropriate to this Senator that New York have at least two Economic Development Representatives. I believe that the field office in Philadelphia is just too far away to provide the best representation for New York.

Do you believe that New York ought to have an EDA field representative? As the Assistant Secretary of Commerce for Economic Development, would you advocate placing EDA representatives in New York State?

A. EDA has 47 Economic Development Representatives (EDRs),in 37 states and the Commonwealth of Puerto Rico, in compliance with the 1984 Appropriations Act (Public Law 98-166), which in relevant part provides as follows:

> Notwithstanding any other provision of this Act or any other law, funds appropriated in this paragraph shall be used to fill and maintain forty-seven permanent positions designated as Economic Development Respresentatives out of the total number of permanent positions funded in the Salaries and Expenses account of the Economic Development Administration for fiscal year 1984, and such positions shall be maintained in the various States with the approved organizational structure in place on June 1, 1981, and where possible, with those employees who filled those positions on that date.

Were it not for this requirement, EDA might better utilize available staff in other positions. If EDA were required to maintain 47 EDR positions, but could deviate from the "approved organizational structure in place on June 1, 1981," EDA might better allocate the positions among the States. So long as the requirement quoted above remains in effect, however, it does not appear that at this time the creation of additional EDR positions would be consistent with the prudent allocation of EDA's available resources.

Senator STAFFORD. This morning the committee has a second responsibility to perform.

The Chair would ask our guests this morning who wish to leave to leave as quietly as possible as the committee has a second nomination before it.

We must also consider this morning Rear Adm. John D. Bossler, who has been nominated to be a member of the seven-member Mississippi River Commission. By law the MRC is required to have one representative from the Geodetic Survey.

As the Acting Director of the Office of Chart and Geodetic Services at NOAA, Admiral Bossler has been nominated to fill this recently vacated position.

Admiral Bossler, the committee is always pleased to hear the nominee with a distinguished record such as you bring with you. We are grateful for your appearance here today.

I have had the privilege of visiting with you in my office as of yesterday. And we will be very happy to hear any statement you care to make to the committee.

Senator RANDOLPH. I have no comment to make except to say that, Mr. Chairman, at this time I think we could move very properly and promptly.

Thank you, very much.

Senator STAFFORD. Thank you, sir.

Senator Burdick.

Admiral Bossler, we would be very glad to hear from you.

## STATEMENT OF REAR ADM. JOHN D. BOSSLER, NOMINATED TO BE A MEMBER OF THE MISSISSIPPI RIVER COMMISSION

Admiral BOSSLER. Thank you, Mr. Chairman.

Mr. Chairman, Senators, I have a prepared statement which I will be happy to read or which can be entered into the record.

Senator STAFFORD. Whichever you wish, Admiral.

We will place it in the record and you can summarize it.

Admiral BOSSLER. I am honored to be a nominee for the Mississippi River Commission and I wish to enter it into the record without reading it.

I bring with me 24 years of experience in the company's survey and would be one of the seven members of the Commission if you choose to support my nomination.

Senator STAFFORD. Thank you, very much.

That is a brief enough statement. It is very pleasing even to a northern New Englander.

I think this is an important responsibility. Although there have been some suggestions but no action about combining it with the corridor of the Corps of Engineers. the Mississippi is a very important avenue of commerce in this country.

I am sure with your distinguished record in the Geodetic Survey that you will contribute significantly to the Commission.

How much time do you think the Commission will require of you in carrying out your duties?

Admiral BOSSLER. About 3 weeks of the year.

Senator STAFFORD. The requirement that a representative of the companies and Geodetic Survey be a member of the MRC was established in 1979. Recognizing that you partially allude to it in your testimony, do you believe it is still important that the companies and Geodetic Survey as opposed to some other agency will still be represented on the Commission?

Admiral BOSSLER. Senator, I believe that we would provide some objectivity to the Commission and as far as I can tell at this time; yes.

Senator STAFFORD. Could you provide a brief description of some recent contributions of the expertise of the companies and Geodetic Survey to the deliberations of the MRC beyond that which is described in your written testimony?

Admiral BOSSLER. Certainly, Senator. We have provided recently a series of benchmarks called Geodetic control on the levies of the Mississippi River and have done that continuously for years and years to determine the water level of the Mississippi to help in resources, management and so on.

Senator STAFFORD. Does the Geodetic Survey prepare the data and publish the charts with respect to the navigation of the Mississippi River?

Admiral BOSSLER. No. We do not, Senator. We publish navigation charts over the coast, generally speaking, and, of course, we include the Mississippi at its mouth but no where else.

Senator STAFFORD. Who does the Mississippi, the Ohio and others?

Admiral BOSSLER. The Corps of Engineers.

Senator STAFFORD. Admiral, these are really boilerplate questions but let me ask you: Do you have any financial obligations or any other contractual relations that might place you in a conflict of interest position if you are confirmed in this nomination?

Admiral BOSSLER. Not to my knowledge, Senator.

Senator STAFFORD. Are you willing to appear before any committee of the House or Senate at their request?

Admiral BOSSLER. Gladly.

Senator STAFFORD. Thank you, very much.

Senator Burdick, do you have any questions?

Senator BURDICK. Are you familiar with the Mississippi River?

Admiral BOSSLER. No, sir.

Senator BURDICK. I have been at the headwaters where I can jump across it. It gets to be a pretty big river, though.

The only question I have is, does your jurisdiction take in, in any way, the Missouri River?

Admiral BOSSLER. Senator, I will have to defer that question. I don't think so. But I am not positive.

Senator BURDICK. I have a very great interest in the Missouri River and I just wanted to know if there is any branch in your agency that affects this. That is all.

Admiral BOSSLER. Of the Coast and Geodetic Survey? Yes. We make the surveys along the Missouri River. I thought the question was, did the Mississippi River Commission have jurisdiction over any part of the Missouri?

Senator BURDICK. That is what I want answered to.

Admiral BOSSLER. I don't think the Mississippi River Commission does. But I am not positive. But the companies and Geodetic Survey, now, NOAA, does in fact do many surveys along the Missouri, yes, sir.

Senator STAFFORD. If the Senator would yield our information from the staff is—and I have seen this before I think—the Commission has jurisdiction over the Mississippi River from Cairo, Ill., to Head of Passes at the Gulf of Mexico, and the basins of the St. Francis, Tensas, Yazoo, Atchafalaya, lower Red, lower Arkansas, lower White, and West Tennessee Rivers, which means all of the Mississippi itself from Cairo and the other rivers that I have mentioned.

Senator BURDICK. We have always had an argument with the Texans about the Red River. I am glad they called it the lower Red down there. We have the higher Red up in my country.

That is all. Thank you.

Admiral BOSSLER. Thank you.

Senator STAFFORD. I don't think we have any further questions. We appreciate your being here. I expect there will be no problem in your speedy confirmation.

Admiral BOSSLER. Thank you, very much.

Senator STAFFORD. Being no further business at this time, the committee stands adjourned.

[Whereupon, at 11 a.m., the committee recessed, to reconvene at the call of the Chair.]

[Admiral Bossler's statement and résumé follow:]

STATEMENT OF

REAR ADMIRAL JOHN D. BOSSLER

ACTING DIRECTOR, OFFICE OF CHARTING AND GEODETIC SERVICES

NATIONAL OCEAN SERVICE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

BEFORE THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

UNITED STATES SENATE

ON HIS NOMINATION

TO BE A MEMBER OF

THE MISSISSIPPI RIVER COMMISSION

JANUARY 31, 1984

Mr. Chairman, Members of the Committee:

I am Rear Admiral John D. Bossler, Acting Director, Office of Charting and Geodetic Services, National Ocean Service, NOAA. I am honored to appear before you as nominee for Member, Mississippi River Commission. The Commission consists of seven members. Three are Corps of Engineers officers -- one of which serves as President. One is from the National Ocean Service, and three are from the civilian sector. Two of the civilians must be civil engineers.

The Commission exercises important responsibilities. From its inception in 1879, it has been charged with the vital task of planning and implementing a program to develop and control the lower Mississippi River. This task continues to be conducted in concert with the myriad of political institutions, individuals, and public bodies who have a major interest in seeing that the water resources needs and opportunities of the Alluvial Valley are adequately and imaginatively met.

The Mississippi River and Tributaries project, approved in the Flood Control Act of May 5, 1928, and modified many times in detail since, is a unique undertaking. While the MR&T project covers portions of seven states, it provides an outlet for water from all or part of 31 states and part of two Canadian provinces, or roughly 41% of the contiguous United States. Its cost of nearly $4 billion to date has repaid many times over. Effective planning, construction, and operation of the widespread and complex project has been helped immensely by the

Commission's active consultation with the public, particularly on its semi-annual inspection trips, and by the high level of professionalism that has been developed in its staff.

As a matter of interest, twelve of my predecessors have served on the Mississippi River Commission during the past 105 years, the latest being Rear Admiral Herbert R. Lippold who retired last October.

At the time the Commission was formed, the Coast and Geodetic Survey had underway surveys on the lower Mississippi River. Because of the expertise in geodesy, topography, and hydrology, one member from the Survey was authorized to serve on the Mississippi River Commission.

The work of my organization is quite closely allied in some respects to the work of the Mississippi River Commission. As an example, we recently made adjustments to about 9,000 benchmarks in coastal and mid-Louisiana. General Read, President of the Mississippi River Commission, asked me to arrange a briefing which would explain this work to him ' his staff. The changes are of particular concern because elevation changes in the Louisiana area could have major effects on the integrity of the flood control and hurricane protection works located therein. I believe that my involvement with the Mississippi River Commission as a Member would put me in a better position to fully understand the sensitivity of these surveying operations and in that way provide a good service to the Commission.

Mr. Chairman, as professional qualifications for being a Member, I bring 24 years of experience. I hold a B.S. degree in Civil Engineering from the University of Pittsburgh and a M.Sc. and Ph.D. in Geodetic Science from the Ohio State University. I am registered as a Professional Engineer and Surveyor in the State of Maryland and as a Professional Surveyor in the States of Pennsylvania and Washington. As Acting Director of the Office of Charting and Geodetic Services, I share with the people of the Alluvial Valley an intense interest in the present and future of the main stem Mississippi River.

If confirmed to the post, Mr. Chairman, I would look forward to participating in the continual improvement of the MR&T project, applying the best of modern practices in water resources engineering. I would similarly look forward to being a part of a body concerned with the continued effort of safely passing floodwaters to the Gulf of Mexico and providing a safe dependable navigation project so important to the Nation's best interest.

I would be pleased to respond to any questions.

RESUME

JOHN D. BOSSLER
3717 Queen Mary Drive
Olney, Maryland 20832
(301) 774-0464

PERSONAL DATA: Born December 8, 1936, Johnstown, Pennsylvania
Married June 29, 1963
Excellent Health

EDUCATION: University of Pittsburgh, Pittsburgh, Pennsylvania (1959)
Bachelor of Science Degree, Civil Engineering, Cum Laude

Ohio State University, Columbus, Ohio (1964)
Master of Science Degree, Geodetic Science

Ohio State University, Columbus, Ohio (1972)
Ph.D., Geodetic Science

PROFESSIONAL EXPERIENCE:

1983-PRESENT: Management (NOAA) — Presently serves as Acting Director, Charting and Geodetic Services (C&GS), National Ocean Service (NOS), National Oceanic and Atmospheric Administration (NOAA), Department of Commerce (DOC). The Director has responsibility for the production of the Nation's nautical and aeronautical charts and for providing geodetic products and technical services to support safe and efficient air and marine transportation and to meet the National geodetic control requirements. C&GS has 1,200 employees and has a total budget of $58,000,000. The Director is involved in determining policy for future land data systems, defining new fields of scientific and engineering research, and other broad-based national objectives.

1980-1983 Management (NOAA) — Director of the National Geodetic Survey, (NGS), NOS/NOAA, Rockville, Maryland. This position necessitated the management of 300 scientists, engineers, and technicians, through an organizational structure designed to be responsive in providing all geodetic products required by the surveying and mapping community in the United States.

1975-1980 Management (NOAA) — Concurrently Project Manager (see below) and Deputy Director, NGS/NOS/NOAA of the DOC, Rockville, Maryland. Assisted Director in managing NGS. Initiated numerous new programs in NGS.

1973-1975 Management (NOAA) — Project Manager for the New Adjustment of the North American Horizontal Geodetic Datum. Necessitated matrix management of about 100 professional employees involved in about 6 highly scientific and heterogeneous functions related to the adjustment. The last adjustment occurred in 1927.

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| 1971-1973<br>Education<br>(NOAA) | Candidate for the degree of Doctor of Philosophy at the Ohio State University in the geodetic science program. Full-time university assignment funded by the Government. |
| 1969-1971<br>Management<br>(NOAA) | Executive Officer of the NOAA Ship DAVIDSON. Managed 40 employees involved in Hydrographic and Oceanographic surveys on the Pacific and Alaskan Coast. Acted as Commanding Officer for 3 months. |
| 1964-1969<br>Scientific<br>Experience<br>(NOAA) | Developed mathematical formulas and computer programs to support Worldwide Satellite Triangulation Network of NGS/NOS/NOAA. Many of the programs still serve the NGS in a production capacity. |
| 1963-1964<br>Education<br>(NOAA) | Candidate for the degree of Master of Science in Geodetic Science at the Ohio State University. Full-time university assignment funded by the Government. |
| 1960-1963<br>Management<br>(NOAA) | Chief of astronomic geodetic field parties and other mobile geodetic parties. Traveled extensively over the conterminous (NOAA) United States. Trained in every phase of geodetic operations. |
| 1959-1960<br>(NOAA) | Served as a Commissioned Officer aboard the NOAA Ship COWIE performing hydrographic surveying. |

REPRESENTATIVE BOARDS AND COMMITTEES:

Vice-President, American Congress on Surveying and Mapping (ACSM)
Secretary, American Geophysical Union (AGU), Geodesy Section
Past Chairman, American Society of Civil Engineers (ASCE), Executive Committee of the Surveying and Mapping Division
President, Section I (Control Surveys), International Association of Geodesy (IAG)
Member, U.S. National Committee of the International Union of Geodesy and Geophysics (IUGG)
NOAA Liaison Member, National Academy of Sciences, Committee on Geodesy

REPRESENTATIVE PUBLICATIONS AND PAPERS:

"Zero Error of the MRA-3 Tellurometer," Bulletin Geodesique, 1965
"The SAO Star Catalog - Its Qualitative and Quantitative Value to the Coast and Geodetic Survey Satellite Triangulation Program," Institute for Earth Sciences, Geodetic Research, Environmental Science Services Administration (ESSA), 1966
"Man's Geophysical Environment - Its Study from Space," Report to the Administrator of ESSA, (Coauthored), October 1967
Ph.D. Dissertation, "Bayesian Inference in Geodesy," Ohio State University, 1972
"Optimal Design of Geodetic Networks," Journal of Geophysical Research, (Coauthored), September 1973
"Changing Views on Control Networks," Ohio State University Symposium, Proceedings of the International Symposium on the Changing World of

Geodetic Science, (Invited Paper), October 1976
"New Adjustment of the North American Datum," Article 17, ACSM Bulletin, 1979
"Activities of the NGS Related to Earthquake Research, "Proceedings of the United States - Japan Conference, (Invited Paper), 1979
"Application of Special Variance Estimators to Geodesy," NOAA/NOS/NGS Technical Report, 1980
"Using GPS for Geodetic Positioning," Bulletin Geodesique, (Coauthored), 1980
"A Note on GPS Activities," ACSM Bulletin, 1981
"Locating Land Data," Presented at the International Symposium on Land Information at the Local Level, Orono, Maine, (Invited Paper), 1982

GENERAL:

Registered as a Professional Engineer and Surveyor in the State of Maryland and as a Professional Surveyor in the States of Pennsylvania and Washington. Recipient of the 1982 DOC Gold Medal (the Department's highest award) and recipient of two Heiskanen Awards of the Ohio State University, Past-President, Williamsburg Civic Association, Boy Scout Cubmaster, Pack 774; Member, Cosmos Club, Washington, D.C., and Manor Country Club.

HOBBIES: Golf, tennis and home repair.

References available upon request.

GENERAL COUNSEL OF THE
UNITED STATES DEPARTMENT OF COMMERCE
Washington, D.C. 20230

25 JAN 1984

Honorable Robert T. Stafford
Chairman, Committee on Environment
and Public Works
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

John D. Bossler has been nominated by President Reagan as a Commissioner of the Mississippi River Commission. The responsibilities of that Commission include participating in projects concerning surveying and improving the Mississippi River and related flood control projects. Captain Bossler has also been nominated as Director of the Office of Charting and Geodetic Services, National Ocean Service, National Oceanic and Atmospheric Administration, a sub-unit of the United States Department of Commerce. The latter nomination is being reviewed by the Senate Committee on Commerce, Science and Transportation. The Office of Charting and Geodetic Services is responsible for planning and directing programs to produce charts and related information for safe navigation within the territorial boundaries of the United States. The position is the successor to the position of Director of the National Ocean Survey and is one of the positions filled by Presidential appointment under Section 2(f) of Reorganization Plan No. 4 of 1970, 84 Stat. 2090.

Captain Bossler filed his financial disclosure report with the Department on November 8, 1983. By letter to David H. Martin, Director of the Office of Government Ethics, my office certified that Captain Bossler's report was complete and disclosed no financial interest which violates or appears to violate applicable conflict of interest laws and regulations.

Captain Bossler lists financial interests in investment firms, an entertainment firm, an electronics firm, and municipal bonds. Because these holdings are not in areas in which the Mississippi River Commission or the Office of Charting and Geodetic Services are involved, it is my opinion that these interests do not represent an impediment to Captain Bossler's serving as Commissioner or as Director. The matters with which Captain Bossler will deal in these positions are not likely to significantly influence, or be influenced by, his financial interests.

Given the nature of the duties of the positions named, it seems most unlikely that a particular matter would arise involving his financial interests. However, should such a matter develop, Captain Bossler could refrain from participating personally or could seek a waiver under 18 U.S.C. 208(b) if the interest is insubstantial.

Sincerely,

Irving P. Margulies

Irving P. Margulies
Acting General Counsel